

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE CASH MARKETS (3/26):
BUTTER: Grade AA closed at \$1.0700. The weekly average for Grade AA is \$1.1167 (-.1216).

CHEESE: Barrels closed at \$1.2950 and blocks at \$1.3300. The weekly average for barrels is \$1.2985 (-.0010) and blocks, \$1.3300 (N.C.).

NONFAT DRY MILK: Extra Grade closed at \$1.0150 and Grade A at \$1.0500. The weekly average for Extra Grade is \$1.0195 (-.0130) and Grade A is \$1.0500 (N.C.).

BUTTER: Butter markets are weak as cash trading prices continue to decline. Churning schedules in most areas of the country are reported to be seasonally active. Cream offerings are readily available, although butter producers anticipate that supplies will become more competitive once ice cream production increases. Current demand for butter is mixed this week as most Easter/Passover orders have now been placed and shipped. Producers anticipate most of the holiday demand has been filled, but expect some last minute/fill-in orders to develop next week. In most areas of the United States, there continues to be no consensus as to how bulk butter should be priced, with many sales being made on an order by order basis.

CHEESE: The cheese market is steady on blocks; weak on barrels. The market undertone is weak due to the many traders' expectation for seasonal increases in milk and cheese production. The recent weakness in barrels is partially due to increased cheese output and the replacement of barrel suppliers by a few processors. Some orders are showing the usual spring affects of slowing natural sales and somewhat improved process interest. Cheese offerings are increasing in parts of the country. Cheese and milk production remain well above year ago levels throughout the country. Additional milk supplies are expected to be available to cheese plants during the holiday/spring break period.

FLUID MILK: Milk production in most areas of the country is increasing seasonally, except in Florida where output has peaked. Although milk production in Florida is trending lower, milk shipments out of state are nearing 100 loads. Milk production across all southern states is strongest, while continuing to build steadily further north. In most areas of the country, spring break for schools is causing some Class I demand disruptions. Although,

for the most part, they are spread out enough to not cause serious problems. Diversions of surplus milk to manufacturing plants are increasing, keeping many operations at or very near capacity levels. Milk handlers state that milk volumes have been heavier earlier than usual and the spring flush, for the most part, is not here yet. Cream supplies are readily available in most areas of the country. At this time, cream is entering local and out of area churns while ice cream and other cream-based product production is not as active. Cream buyers anticipate that cream demand will increase soon for Class II products as the time of year, favorable cream prices after April 1, and mild weather conditions in many areas of the country should stimulate ice cream demand.

DRY PRODUCTS: Market conditions for most dry dairy products are steady to weak. Overall, prices for NDM are weak with most areas indicating that prices are at or nearing support levels. Western producers continue to be the only producers offering surplus to the CCC. Buttermilk and whey markets are also weak. Sales are occurring at the lower end of reported price ranges, although most buyers are not making significant purchases due to weak market conditions.

CCC: During the week of March 22 - 26, CCC purchased 2,657,130 pounds (net of cancellations) of NDM from Western producers.

COLD STORAGE (NASS): U.S. cold storage holdings of butter on February 28, 1999 total 93.3 million pounds, 53.3% heavier than last month and 2.6 times greater than February 1998. Natural American cheese holdings total 402.1 million pounds, 2.9% more than January, but 2.1% lighter than February 1998.

FEDERAL MILK ORDER MARKET SUMMARY (USDA, AMS): During February, about 8.9 billion pounds of milk were marketed under Federal orders; an estimated 200 million pounds was not pooled due to disadvantageous price relationships. Producer deliveries were about 1.1% more than February 1998, and about 0.9% more than January 1999 on an estimated daily average basis. Milk utilized in Class I products in February was 0.5% less than last year on an adjusted basis. The average blend price was \$15.12, \$0.58 more than last year. Changes in class prices from year-earlier levels were: Class I, up \$4.05; Class II, up \$4.05; Class III, down \$3.05; and Class III-A, down \$0.10.

****SPECIALS THIS ISSUE****

FEBRUARY COLD STORAGE HOLDINGS (PAGES 7 - 8)

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS (PAGES 9 - 10)

CORRECTED PAGE 6 FOR REPORT #11 (PAGE 11)

DAIRY GRAPHS (PAGE 12)

CCC CHEESE PURCHASES (PAGE 13)

**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-42,000 lbs.

PRODUCT	MONDAY MAR 22	TUESDAY MAR 23	WEDNESDAY MAR 24	THURSDAY MAR 25	FRIDAY MAR 26	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.3025 (N.C.)	\$1.3025 (N.C.)	\$1.2975 (-.0050)	\$1.2950 (-.0025)	\$1.2950 (N.C.)	-.0075	\$1.2985 (-.0010)
40# BLOCKS	\$1.3300 (N.C.)	\$1.3300 (N.C.)	\$1.3300 (N.C.)	\$1.3300 (N.C.)	\$1.3300 (N.C.)	N.C.	\$1.3300 (N.C.)
NONFAT DRY MILK EXTRA GRADE	\$1.0325 (N.C.)	\$1.0200 (-.0125)	\$1.0150 (-.0050)	\$1.0150 (N.C.)	\$1.0150 (N.C.)	-.0175	\$1.0195 (-.0130)
GRADE A	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	N.C.	\$1.0500 (N.C.)
BUTTER GRADE AA	\$1.1800 (-.0200)	-----	\$1.1000 (-.0800)	-----	\$1.0700 (-.0300)	-.1300	\$1.1167 (-.1216)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

****THERE WILL BE NO CASH MARKET TRADING HELD AT THE CHICAGO MERCANTILE EXCHANGE ON FRIDAY, APRIL 2.****

CHICAGO MERCANTILE EXCHANGE

Trading Activity - March 22 - 26, 1999

MONDAY, MARCH 22, 1999

CHEESE--SALES: 2 CARS 40# BLOCKS: 1 @ \$1.3275, 1 @ \$1.3300; BIDS UNFILLED: 5 CARS BARRELS @ \$1.3025; OFFERS UNCOVERED: 6 CARS BARRELS: 1 @ \$1.3075, 5 @ \$1.3150

NONFAT DRY MILK--SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER--SALES: 5 CARS GRADE AA: 1 @ \$1.1800, 1 @ \$1.1850, 1 @ \$1.1800, 1 @ \$1.1825, 1 @ \$1.1850; BIDS UNFILLED: 3 CARS GRADE AA: 1 @ \$1.1700, 1 @ \$1.1300, 1 @ \$1.1200; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.1800, 1 @ \$1.1875, 1 @ \$1.2000, 1 @ \$1.2100

TUESDAY, MARCH 23, 1999

CHEESE--SALES: 5 CARS BARRELS: 2 @ \$1.3050, 3 @ \$1.3025; 2 CARS 40# BLOCKS: 1 @ \$1.3275, 1 @ \$1.3300; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3050; 3 CARS 40# BLOCKS @ \$1.3300

NONFAT DRY MILK--SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS EXTRA GRADE @ \$1.0200

WEDNESDAY, MARCH 24, 1999

CHEESE--SALES: 4 CARS BARRELS: 3 @ \$1.3075, 1 @ \$1.2975; BIDS UNFILLED: 3 CARS BARRELS @ \$1.2975; 2 CARS 40# BLOCKS @ \$1.2500; OFFERS UNCOVERED: 7 CARS BARRELS: 2 @ \$1.3075, 5 @ \$1.3125; 3 CARS 40# BLOCKS @ \$1.3300

NONFAT DRY MILK--SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS EXTRA GRADE @ \$1.0150

BUTTER--SALES: 12 CARS GRADE AA: 1 @ \$1.1500, 2 @ \$1.1300, 2 @ \$1.1200, 1 @ \$1.1225, 1 @ \$1.1100, 1 @ \$1.1050, 2 @ \$1.1025, 2 @ \$1.1000; BIDS UNFILLED: 5 CARS GRADE AA: 1 @ \$1.0950, 1 @ \$1.0600, 3 @ \$1.0500; OFFERS UNCOVERED: 13 CARS GRADE AA: 1 @ \$1.1075, 1 @ \$1.1400, 1 @ \$1.1450, 2 @ \$1.1600, 2 @ \$1.1700, 1 @ \$1.1800, 1 @ \$1.1900, 1 @ \$1.1925, 1 @ \$1.1950, 1 @ \$1.1975, 1 @ \$1.2000

THURSDAY, MARCH 25, 1999

CHEESE--SALES: 5 CARS BARRELS: 1 @ \$1.2950, 1 @ \$1.3000, 3 @ \$1.2975, 1 @ \$1.2950; 11 CARS 40# BLOCKS: 1 @ \$1.3250, 1 @ \$1.3275, 1 @ \$1.3300, 1 @ \$1.3275, 1 @ \$1.3300, 1 @ \$1.3275, 1 @ \$1.3300, 1 @ \$1.3275, 1 @ \$1.3300, 1 @ \$1.3275, 1 @ \$1.3300; BIDS UNFILLED: 1 CAR BARRELS @ \$1.2900; 2 CARS 40# BLOCKS @ \$1.2500; OFFERS UNCOVERED: 6 CARS BARRELS: 2 @ \$1.2975, 4 @ \$1.3025; 2 CARS 40# BLOCKS @ \$1.3300

NONFAT DRY MILK--SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ \$1.0000; OFFERS UNCOVERED: NONE

FRIDAY, MARCH 26, 1999

CHEESE--SALES: 1 CAR BARRELS @ \$1.2950; 3 CARS 40# BLOCKS: 2 @ \$1.3275, 1 @ \$1.3300; BIDS UNFILLED: 2 CARS BARRELS @ \$1.2950; 3 CARS 40# BLOCKS: 2 @ \$1.2500, 1 @ \$1.1000; OFFERS UNCOVERED: 4 CARS BARRELS: 1 @ \$1.2975, 3 @ \$1.3000; 2 CARS 40# BLOCKS @ \$1.3300

NONFAT DRY MILK--SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR EXTRA GRADE @ \$1.0150

BUTTER--SALES: 9 CARS GRADE AA: 1 @ \$1.0900, 4 @ \$1.0800, 1 @ \$1.0775, 1 @ \$1.0750, 1 @ \$1.0725, 1 @ \$1.0700; BIDS UNFILLED: 9 CARS GRADE AA: 1 @ \$1.0700, 1 @ \$1.0600, 1 @ \$1.0450, 2 @ \$1.0300, 2 @ \$1.0100, 2 @ \$1.0000; OFFERS UNCOVERED: 3 CARS GRADE AA: 2 @ \$1.1000, 1 @ \$1.2000

BUTTER MARKETS**NORTHEAST**

The market tone is steady. Premium structures are unchanged. On the March 19 trading session at the CME, the butter close was down 3 1/2 cents from Wednesday's close to 1.2000 and the weekly average was 1.2383. Demand is fair. Producer stocks are moderate to heavy. Stocks continue to build for the upcoming holiday. Excess milk volumes encourage butter production and volumes of cream continue to clear into manufacturing facilities. Churning activity remains heavy in anticipation of the Easter/Passover holiday demand.

CENTRAL

The butter market tone and undertone remain weak. Butter producers and handlers are adjusting to lower cash prices. During the past 7 cash trading sessions at the Chicago Mercantile Exchange, AA butter has declined 26.25 cents to \$1.1000 per pound, the lowest cash price since September 1997. Most are questioning where, during the current price slide, the price will stabilize. For the most part, Easter orders have been placed and shipped. Butter handlers look to next week as a period when minimal orders will occur for immediate shipment to fill in depleted stocks. In the Midwest, retail features are scheduled to break this weekend as shoppers prepare for the upcoming holiday. Food service orders are equally strong as Easter has traditionally been an away from home eating holiday. Stocks of butter to meet current and projected needs are fully sufficient. Churning schedules remain seasonally active with cream supplies reported to be readily available. In instances, some Midwestern butter operations are looking for additional cream offerings to maintain full production schedules.

WEST

Butter prices continue to soften at the CME. Prices have fallen 26 1/4 cents since March 8. There continues to be no consensus at all as to how bulk butter should be priced. Many sales are being made on an order by order basis. Some contacts are discussing if the CME cash trading should go back to once a week trading or, failing that, if it should go to five days a week trading similar to cheese. Current bulk butter sales are slower because most of the orders relating to the upcoming holiday have been filled and because with prices moving lower, there is no incentive to purchase extra loads. Both bulk and print orders leading up to the holiday were rated as good. Some feature activity related to Easter is noted. Cream sales are slow with most heading to the churns. Butter production is steady to heavier.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS,
TRUCKLOAD QUANTITIES.

***DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND
BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS
FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE,
DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY
SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.***

NASS DAIRY PRODUCT PRICES

U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
MARCH 20	1.3094 5,097,469	1.2783 10,531,820	1.0153 19,759,306	1.3018 2,802,102	0.1889 7,284,815

Further data and revisions may be found on the Internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

NORTHEAST

CHEESE MARKETS

WEST

The market tone remains steady. CME block weekly averages continue unchanged while barrels are 3/4 cents higher. Production increases in milk volumes encourage heavy cheese production. Condensed skim is also readily available at attractive prices. Aged product is being put away for summer and fall markets. Producer stocks are adequate and building. Demand is slow to fair with some improvement anticipated for the Easter/Passover holiday.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3300-1.8175
Cheddar Single Daisies	:	1.3025-1.8175
Cheddar 40# Block	:	1.4725-1.6175
Process 5# Loaf	:	1.4875-1.6375
Process 5# Sliced	:	1.5075-1.7375
Muenster	:	1.5100-1.8125
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is generally steady, though an unsettled undertone is growing. Many traders have expectations that seasonal increases in milk and cheese production this spring will eventually "weigh down" prices. Barrels are just adequate and generally are the tighter cheddar position. Process interest and production normally increases seasonally at the expense of some natural varieties and this year appears to be no exception. Block interest is 'coasting along' with orders steady to slightly lighter. Aging programs continue to absorb blocks, but the major push seems over for now. Mozzarella sales are spotty, in part affected where school breaks lower demand at some locations and not others. Some discounting of generic mozzarella is continuing. Soft style sales are light to occasionally moderate. Swiss sales remain sluggish and offerings remain heavy. Cheese production remains seasonally heavy. Cheese yields are about seasonal.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4800-1.8500
Brick And/Or Muenster 5#	:	1.7700-1.8000
Cheddar 40# Block	:	1.5925-2.1150
Monterey Jack 10#	:	1.7825-2.1150
Blue 5#	:	1.9275-2.3000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6625-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.5400-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	MARCH 22 - 26, 1999
BARRELS*	:	\$1.2900 - 1.3125 (NOMINAL)
	:	(\$0.0175) (.0100)
40# BLOCKS	:	\$1.3200 - 1.3600 (NOMINAL)
	:	

() Change from previous week. * If steel, barrel returned.

Process cheese prices are fractionally higher while natural and Swiss prices continue to hold steady. Cheese production is increasing seasonally and due to falling butter/powder prices. So far, cheese sales activity remains strong enough to continue to clear current offerings. Contacts are wondering as the spring flush picks up momentum whether this will continue to be the case. General cheese demand remains quite good. Mozzarella and barrel/process cheese remain in the tightest position. Natural American cheese stocks at the end of February stand at 402.1 million pounds, down 2.1% from last year. Swiss stocks, at 12.2 million pounds, are down 21.1% from the same time last year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4500-1.7075
Cheddar 40# Block	:	1.4525-1.5925
Cheddar 10# Cuts	:	1.6425-1.8525
Monterey Jack 10#	:	1.6625-1.8150
Grade A Swiss Cuts 6 - 9#	:	2.3000-2.4800

FOREIGN

Prices and the market tone are unchanged. Closing prices for cheddar blocks at the CME have not changed since February 11. Demand for foreign type and imported cheeses is fair, but slightly improved for the Easter and Passover holidays. Supplies of most type of cheese are adequate for needs. The U.S./EU trade dispute over bananas has taken on "a new front." The EU has placed a ban on American beef treated with hormones. Unless this dispute is settled, the U.S. could impose 100% duties on manufactured and agriculture goods. Roquefort cheese is on the preliminary list of agricultural products and this list is in addition to an earlier list, stemming from the banana dispute, which includes Italian Pecorino.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.6650-2.2750
Gorgonzola	: 3.2400-5.9400	: 2.3200-2.4900
Parmesan (Italy)	: TFEWR	: 3.0750-3.1050
Romano (Italy)	: 2.1000-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.6650-1.9550
Romano (Cows Milk)	: -0-	: 2.8450-5.0800
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE	CORRECTION*	CHEESE*
03/22/99	14,512	: 102,552	03/08/99	: 106,305
03/01/99	16,171	: 103,484	03/01/99	: 103,484
CHANGE	-1,659	: -932	CHANGE	: 2,821
% CHANGE	-10	: -1	% CHANGE	: 3

FLUID MILK AND CREAM

E A S T

While milk volumes continue to be above last year's levels, overall production is steady. In the Northeast, milk movement is still recovering from winter storms in past weeks. Production remains strongest in the Southeast with TX, LA, MS and FL producing more than necessary for their respective areas. It has been reported that FL has peaked in production as milk volumes are declining. The state continues to ship out 85-95 loads per week indicating a lackluster demand and slow tourist season in the area. This week's surplus milk exports compare to 40-45 loads shipped out during the comparable week last year. Spring time break schedules in schools throughout the East alter shipments and demand. Breaks are expected to continue until after the Easter/Passover holiday. Class I sales have slowed since the snow storms have passed. Demand is seasonal and as anticipated for the end of the month. The condensed skim market remains steady. Movement into Class III products is strong at attractive prices. Condensed skim regularly diverted into non-fat production is more readily cleared into Class III channels. Most plants continue to run at capacity as cheese makers prepare aged product for summer and fall markets. Class II demand is slow to fair with regular commitments offering the best interest. Movement into Class II facilities is expected to increase with the anticipated drop in Class II prices in April. Prices this week are unchanged to higher. Cream supplies are adequate to instances fully adequate. Similar to Class II condensed skim, contracts clear the most product and increased sales are anticipated with the Class II price drop. Movement of cream into ice cream and cream cheese outlets continues although not at levels normally expected for this time of the year. Multiples are mostly unchanged. Cream prices are mostly lower due in part to the recent drops in the AA butter price at the CME. Spot loads of cream move best into butter and cheese facilities. Churning activity remains heavy. Ice cream and cream cheese production is fair.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	- 1.4240 - 1.6717
Delivered Equivalent Atlanta	- 1.4364 - 1.6593 M 1.4859 - 1.5478
F.O.B. Producing Plants: Upper Midwest	- 1.5000 - 1.6222

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	- 1.2000 - 1.5500
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M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
MARCH 19 - 25, 1999	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1998	0

Class I demand is generally slower this week after an improved sales week last week. Bottlers and milk handlers were trying to adjust their anticipated schedules and needs for the changes caused with schools closing at various periods the next few weeks for spring/holiday break. The school closings will cause additional pressure on already full manufacturing facilities as Class I sales slow. With fewer manufacturing facilities available, some handlers question how cheap and how much effort will be needed to clear spring break surplus volumes. The sharply lower April Class I and II milk prices may be an inducement for some firm to step up production or feature products during the month. Milk continues to move into the upper Midwest for manufacturing from other areas of the country. Surplus milk volumes were steady to often heavier, depending on location. Reported spot surplus milk prices range from \$0.50 under class to \$0.50 over class. Cream prices are lower

reflecting recent declines in butter prices at the Chicago Mercantile Exchange. Most cream deals seem to be based on the weekly average price but there are a few exceptions based on the Friday close. Milk receipts are fairly steady through most of the region. However, some more Southern states are experiencing more noticeable increases. Fat and protein tests continue to drift seasonally lower. Fields are drying out rapidly and a few early birds have been out in the field. Many farmers are concerned that the current dry conditions may last into the growing season.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MARCH 18 - 24	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 39.25	\$ 35.00- 40.00
REPLACEMENT HEIFER CALVES	\$190.00-250.00	\$120.00-160.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MARCH 18 - 24	PREVIOUS YEAR
SLAUGHTER COWS	\$ 32.00- 43.75	\$ 36.50- 42.50

W E S T

February pool receipts of milk in California total 2.211 billion pounds, up 11.4% from last year. Cumulative pool output through the first two months of 1999 total 4.597 billion pounds, up 8.7% from the same period in 1998. The February blend price is \$14.22, at a fat test of 3.75%, which is \$2.55 lower than January. The percentage of receipts used in Class 1 products is 22.67%. The February quota price is \$14.90 and the base and overbase prices are \$13.20. These prices are \$1.56 lower than last month but 29 cents higher than February 1998. The Southwest continues to see strong milk production growth. Milk output is well above year ago levels in most areas of California. Double digit increases are common in localized areas and most areas are seeing at least moderate increases. Better hay is becoming available and other feed sources remain very affordable. Weather has been ideal in most areas of California and the places that have received intermittent rains are not seeing significant adverse effects. Arizona production also remains strong. Processors state levels are not yet at peak. Higher, seasonal temperatures are developing during the day, but night time temperatures are cool and allow for good cow comfort. New hay cuttings are starting and forecasts call for excellent drying weather. New Mexico milk output also remains seasonally strong. Milk is moving around to find processing capacity and continues to the leave the state. Western cream prices remain depressed. Multiples are being lowered and the butter price continues to drop. Cream demand is limited and more cream is entering the churns. Demand also seems to be hurt by the multitude of price basis points caused by the multi day butter trading at the CME. Processors are anticipating demand to pick up seasonally from ice cream producers, especially with lower class prices in April in California and federal milk orders. Milk production is generally increasing in the Pacific Northwest even with additional culling of low enders taking place. Production per cow remains very strong. Fat and protein tests are seasonally very good. Weather patterns are somewhat dryer and temperatures are now reaching the 60's more often. Pastures are very slow in showing much growth. Some better quality hay is coming out of storage as hay growers realize that carryover stocks are going to be very large. Many manufacturing plants expect to be full over the upcoming holiday periods as schools take various time periods off for spring break. Milk receipts in the northern Mountain States continue to increase along seasonal patterns. Many manufacturing plants are operating on extended schedules. Early spring weather is common with some light field work taking place. Feed supplies are readily available.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 03/25/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices and the market tone are unchanged. Drying schedules are heavy as milk volumes increase in much of the Midwest and demand for condensed skim remains sluggish at current prices. Dryers are hopeful that April's sharp decline in the Class II milk price will be reflected in condensed skim prices and stimulate some interest. Producers' stocks are building, but many are offering multiple-load deals near the new support price and clearing some stocks. There have been reports of Midwestern producers filling "G" bags and preparing to offer NDM to CCC. As of midweek, CCC has reported no offers from Midwestern sources.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0100 - 1.0375 MOSTLY: 1.0100 - 1.0200

DRY BUTTERMILK - CENTRAL

Prices are steady and the market tone remains weak. Churning activity is moderate to heavy. However, sharply lower butter/cream prices may give rise to increased ice cream and cream cheese production which would ease the volumes of surplus cream moving to churning facilities. Plant stocks remain heavier than desired. Demand is slow to fair and barely clearing current output.

BUTTERMILK: .6800 - .7400

DRY WHEY - CENTRAL

Prices are unchanged to fractionally lower. The market tone, though mostly steady, is showing some signs of weakness. Production levels are still heavy and demand is slow to and steady. Some export interest is evident, but buyers are price sensitive. Demand is not clearing all the output at some locations and stocks are building. At other facilities, stocks are closely balanced. Resellers continue to report sluggish demand. Reportedly, demand is centered on replacement needs. Buyers see no shortage of powder in the first half of the year and are not inclined to purchase too far in advance.

NONHYGROSCOPIC: .1775 - .1950 MOSTLY: .1800 - .1900

ANIMAL FEED WHEY - CENTRAL

Prices are mostly steady and the market tone is unchanged. Little has changed in the animal feed market. Offerings of milk replacer and standard are more than ample for the continued slow spot demand. Roller ground is in better balance with needs, but demand is also slow. Delactose stocks range from balanced to ample for current needs.

MILK REPLACER: .1500 - .1700
STANDARD: TFEWR
ROLLER GROUND: .1925 - .2100
DELACTOSE (Min. 20% protein): .3075 - .3375

LACTOSE - CENTRAL AND WEST

Prices and the market tone are mostly steady. Production levels are moderate to heavy. Producer stocks are quite well balanced. Contract sales continue to clear most of their current output. There is some new domestic and export interest at some locations, but this may be buyers looking for different sources for the volumes they had been purchasing elsewhere. Spot demand is slow.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1500 - .2050 MOSTLY: .1600 - .1750

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are steady and the market tone is cautiously steady. Production levels are still heavy and producer stocks are building at some locations. The spot market is lackluster at best. Contracts are clearing most of the current output. Those producers with most of their output contracted are in the best supply/demand position. Resellers report an unchanged market with little spot activity.

EXTRA GRADE 34% PROTEIN: .4600 - .5125 MOSTLY: .4750 - .4975

NONFAT DRY MILK - WEST

Despite a slight increase on the top end of the range, the low/medium heat market remains weak and is more reflected by the drop in the mostly range. Buying interest remains rather light. Demand is slow to redevelop from cheese producers. Buyers in other regions are able to purchase NDM locally, often at or below Western delivered prices. Sales beyond contracts remain sluggish and DEIP orders have tapered off. The support program continues to be used to clear surplus NDM. During the week of March 15 - 19, Western producers offered 6,290,274 pounds of NDM to the CCC under the price support program. High heat prices are steady and remain nominal. Trading levels are light. Production is limited as plants need to keep the production levels as high as possible.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9900 - 1.0300 MOSTLY: 1.0000 - 1.0100

HIGH HEAT: 1.0300 - 1.0500

DRY BUTTERMILK - WEST

Western buttermilk prices are lower and the market undertone remains weak. Some additional market clearing sales occurred at the bottom end of the range. Spot sales are limited. Buyers are reluctant to make longer term commitments in this weak market. Drying schedules remain active in the absence of better condensed buttermilk sales. Stocks are building for most producers and creating pressure to lower prices to move product.

BUTTERMILK: .6525 - .7200 MOSTLY: .6800 - .7100

DRY WHEY - WEST

Range and mostly prices vary from steady to fractionally lower. Producers continue to lower prices to try and move some additional product. They are having some success. Stock levels do remain heavier than desired at some locations. Production is heavier than anticipated and growing seasonally. Contacts are concerned about increasing offerings as the spring milk flush approaches. Domestic demand is fair at steady levels. Export sales are somewhat mixed depending on destination and price level.

NONHYGROSCOPIC: .1775 - .2075 MOSTLY: .1850 - .1950

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended March 19, on powder sales of 10,860,264 pounds f.o.b. California manufacturing plants was \$1.0117 per pound. This compares to 8,639,331 pounds at \$1.0162 for the previous week ending March 12, 1999. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

DRY WHEY - NORTHEAST AND SOUTHEAST

The market tone is mostly steady to weak with prices unchanged to lower. Cheese manufacturing facilities continue to run at capacity levels allowing a steady production of whey. Abundant milk supplies encourage cheese production. Inventories are fully adequate and building. Product exported is being moved at discounts to keep domestic markets stable. Some buyers are resisting the current market in the hopes that prices will move lower. Sellers expect anticipated ice cream production in April to clear excess inventories. Contract commitments are easily met and continue to move product the best. Demand is slow and spot trading is minimal.

ALL HEATS: 1.0400 - 1.1400

DELYD SOUTHEAST:	.2100 - .2250
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ANIMAL FEED WHEY - NORTHEAST

The market tone remains steady and prices are too few to report. Among whey products, animal feed shows the best movement as excess milk intakes by cheese plants generate ample supplies of whey. Limited demand by the feed industry also limits interest in animal feed whey. Trade is slow and best on regular commitments.

DELVD SOUTHEAST: .7100 - .7750

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK-NATIONAL

The market tone is steady with prices unchanged to instances lower. A drop in butter prices at the CME decreased whole milk prices in some areas. Production is steady with the plentiful milk supplies and inventories are in balance with current interest. Demand remains seasonally slow to fair.

The market tone remains steady with prices unchanged. Excessive milk volumes encourage steady production. Stocks are adequate and building. Demand is seasonally slow to fair with minimal improvements noted for the holiday season.

F.O.B. PRODUCING PLANT: 1.1500 - 1.3200

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED
MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN-NATIONAL

JULY 1, 1998 THROUGH MARCH 19, 1999
WITH CHANGES FROM PREVIOUS REPORT

REALLOCATED NDM -- 26,258 MT* (57,888,386 LBS)

Casein markets are steady to weak with prices unchanged to lower. Acid offerings are readily available and in instances being offered at lower prices. Although some buyers are taking advantage of the competitively priced offerings, most have made commitments with other sources and are not able to take advantage of the offerings at this time.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	1.8600 - 2.0000
ACID:	1.9000 - 2.0000

NOTICE

Allocations for the DEIP year beginning July 1, 1998, are:
Nonfat dry milk - 84,212 MT; Whole Milk Powder - 5,003 MT;
Cheese - 3,350 MT; Butterfat - 29,854 MT.

* Program allocations and reallocated volumes have been filled.

In last week's report (#11), page 6 was inadvertently reprinted from report 10. We are sorry for any inconvenience this may have caused. The individual reports on the Internet and prices on our recorded information system for report 11 were correct.

The report 11 page 6, as it should have appeared, is available on page 11 of this report.

MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated.

U.S. HOLDINGS OF DAIRY PRODUCTS						
COMMODITY	JAN 31, 1997	JAN 31, 1998	REVISED JAN 31, 1999	FEB 28, 1997	FEB 28, 1998	FEB 28, 1999
Cream	---	---	---	---	---	---
Butter	23,166	34,166	60,849	35,976	44,199	93,301
Evap. & Cond. Milk	---	---	---	---	---	---
Cheese, Natural American	383,791	406,958	390,814	379,446	410,717	402,073
Cheese, Swiss	13,702	14,380	11,096	13,513	15,441	12,176
Cheese, Other Natural	104,046	87,985	97,795	101,169	95,350	97,224
GOVERNMENT OWNED COLD STORAGE HOLDINGS FOR THE U.S.						
Butter	161	160	247	347	127	908
Natural American Cheese	141	103	30	31	180	36

FEBRUARY COLD STORAGE HOLDINGS BY REGION									
REGION	Natural American Cheese			Butter			Other Natural Cheese		
	1997	1998	1999	1997	1998	1999*	1997	1998	1999
New England	16,260	23,122	23,638	4,398	---	---	208	78	368
Middle Atlantic	32,862	39,780	44,934	3,488	---	---	5,744	8,502	6,724
East North Central	214,357	226,944	210,736	13,624	---	---	82,193	78,215	79,425
West North Central	61,087	65,149	57,978	2,997	---	---	3,070	1,648	2,688
South Atlantic	306	322	791	1,171	---	---	4,962	519	567
East South Central	182	196	200	281	---	---	2,527	1,489	327
West South Central	641	293	259	578	---	---	79	74	216
Mountain	14,363	9,456	11,502	337	---	---	711	790	698
Pacific	39,388	45,455	52,035	9,102	---	---	2,169	4,035	6,211
TOTAL	379,446	410,717	402,073	35,976	44,199	93,301	101,663	95,350	97,224

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 1998 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
	Million Pounds						Million Pounds						Million Pounds					
January	61	34	61	34	<u>3/</u>	<u>3/</u>	391	407	391	407	<u>3/</u>	<u>3/</u>	175	128	82	104	93	24
February	93	44	92	44	1	<u>3/</u>	402	411	402	411	<u>3/</u>	<u>3/</u>		131		105		26
March		56		56		<u>3/</u>		422		422		<u>3/</u>		129		93		36
April		67		67		<u>3/</u>		440		440		<u>3/</u>		161		113		48
May		73		72		<u>3/</u>		444		444		<u>3/</u>		187		132		55
June		61		60		<u>3/</u>		450		450		<u>3/</u>		198		129		69
July		51		51		<u>3/</u>		461		461		<u>3/</u>		203		112		91
August		41		41		<u>3/</u>		442		441		<u>3/</u>		186		78		108
September		34		34		<u>3/</u>		417		417		<u>3/</u>		177		64		112
October		31		31		<u>3/</u>		395		394		<u>3/</u>		155		46		109
November		29		29		<u>3/</u>		389		389		<u>3/</u>		139		42		97
December		26		26		<u>3/</u>		408		408		<u>3/</u>		151		56		95

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Jan 31, 1997	Jan 31, 1998	Jan 31 1999	Feb 28, 1997	Feb 28, 1998	Feb 28, 1999
	Thousand Pounds					
Butter	23,005	34,006	60,602	35,629	44,072	92,393
Natural American Cheese	383,650	406,855	390,784	379,415	410,537	402,037

1/ Total holdings minus Government owned holdings. For more information, see page 7 of this report.

SOURCE: "Cold Storage," Co St 1 (3-99) and "Dairy Products," Da 2-6 (3-99), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Agricultural Stabilization and Conservation Service.

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS

FEDERAL MILK ORDER MARKET SUMMARY FOR FEBRUARY 1999. During February, about 8.9 billion pounds of milk were marketed under Federal orders. (Since significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in February 1999 and 1998, the following comparisons involving producer deliveries have been estimated.) Producer deliveries were about 1.1 percent more than February 1998, and about 0.9 percent more than January 1999 on a daily average basis. Milk utilized in Class I products in February was 0.5 percent less than last year on an adjusted basis. Class I use this year represented 39 percent of producer milk deliveries compared to 40 percent in February 1998. The average blend price was \$15.12 per cwt., \$0.58 more than last year. Changes in class prices from year-earlier levels were as follows: Class I, up \$4.05; Class II, up \$4.05, Class III, down \$3.05; and Class III-A, down \$0.10.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF FEBRUARY 1999										
FEDERAL MILK ORDER MARKETING AREAS <u>1/</u>	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE <u>2/</u>		BUTTER-FAT DIFF. <u>3/</u>
		1999 TOTAL	CHANGE FROM 1998	1999 TOTAL	CHANGE FROM 1998	1999	1998	1999	1998	1999
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
New England (Boston)	1	460.7	1.6	207.4	1.9	45	45	16.54	15.02	13.9
New York/New Jersey (NY City)	2	914.1	-2.1	369.1	-2.1	40	40	15.80	14.91	13.9
Middle Atlantic (Philadelphia-Baltimore/Washington, D.C.)	4	494.2	-2.0	203.4	-4.0	41	42	16.04	14.64	---
NORTHEAST REGION		1,869.0	-1.2	779.8	-1.6	42	42	16.05	14.86	13.9
Carolina (Charlotte)	5	250.9	12.2	193.7	5.6	77	82	19.24	15.89	13.9
Southeast (Atlanta/Birmingham)	7	474.1	-4.6	373.1	-0.7	79	76	18.99	15.72	13.9
Florida Markets (Tampa /Jacksonville/ Tallahassee/Miami)	12 <u>4/</u>	242.1	-3.9	208.4	-1.9	86	84	19.93	16.54	13.9
SOUTHEASTERN REGION		967.0	-0.5	775.3	0.5	80	79	19.29	15.97	13.9
Michigan Upper Peninsula (Marquette)	44	5.1	-3.7	4.0	2.5	79	74	17.11	14.29	13.9
Southern Michigan (Detroit)	40*	338.8	4.0	158.3	-0.1	47	49	15.98	14.22	---
E. Ohio/W. PA (Cleveland/Pittsburgh)	36*	262.4	-1.2	147.0	9.4	56	51	15.75	14.34	---
Ohio Valley (Columbus)	33*	222.4	-11.1	128.2	-1.9	58	52	16.79	14.47	---
Indiana (Indianapolis)	49*	152.6	-2.9	95.8	-0.6	63	61	17.30	14.59	---
Chicago Regional	30*	1,247.2	1.3	199.9	0.7	16	16	12.15	13.75	---
Central Illinois (Peoria)	50*	17.5	22.7	13.1	15.0	75	80	17.00	14.63	13.9
S. Illinois-E. Missouri (Alton)	32*	144.6	-12.2	74.1	-9.9	51	50	16.33	14.47	13.9
Louisville-Lexington-Evansville	46	112.9	4.0	81.2	-4.3	72	78	18.18	14.99	13.9
Upper Midwest (Minneapolis)	68*	905.6	2.6	124.0	0.4	14	14	11.67	13.54	---
Iowa (Des Moines)	79*	328.7	10.3	80.4	2.9	24	26	13.04	13.85	---
Nebraska/W. Iowa (Omaha/Sioux City)	65*	159.9	7.9	46.0	-11.3	29	35	13.87	13.93	---
Greater Kansas City/E. S. Dakota	64 <u>5/ 6/</u>	47.1	12.6	---	---	---	---	18.71	14.99	13.9
MIDWEST REGION	<u>7/</u>	3,897.7	1.2	1,152.1	-0.2	30	30	13.58	13.95	13.9

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF FEBRUARY 1999										
FEDERAL MILK ORDER MARKETING AREAS <u>1/</u>	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE <u>2/</u>		BUTTER-FAT DIFF. <u>3/</u>
		1999 TOTAL	CHANGE FROM 1998	1999 TOTAL	CHANGE FROM 1998	1999	1998	1999	1998	1999
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
Southwest Plains (Oklahoma City)	106*	245.9	0.0	114.3	-2.4	46	48	15.85	14.87	13.9
Texas (Dallas)	126*	515.7	3.8	251.7	0.5	49	50	16.27	15.00	13.9
SOUTHWEST REGION		761.6	2.5	366.0	-0.5	48	49	16.13	14.96	13.9
E. Colorado/W. Colorado (Denver)	137 <u>6/</u>	132.6	-6.9	65.9	0.9	50	46	15.84	14.65	13.9
SW. Idaho/E. Oregon (Boise)	135*	291.8	122.7	14.6	-1.6	5	11	10.83	13.50	---
Great Basin (Salt Lake City)	139	181.6	2.0	72.7	6.7	40	38	14.73	14.19	---
Central Arizona (Phoenix)	131	228.7	10.7	79.2	-3.0	35	40	14.62	14.24	13.9
New Mexico-West Texas (Albuquerque)	138	55.8	-73.1	48.0	-3.8	86	24	19.03	13.88	13.9
Pacific Northwest (Seattle/Portland)	124	521.5	5.0	160.7	-2.8	31	33	14.47	13.91	---
FAR WEST REGION		1,412.0	3.7	441.2	-0.9	31	33	14.08	14.03	13.9
ALL-MKT. AVERAGE OR TOTAL		8,907.4*	1.0*	3,514.4	-0.5	39	40	15.12	14.54	13.9
YEAR-TO-DATE AVG./TOTAL										
Northeast Region		3,910.2	-0.5	1,640.1	-2.1	42	43			
Southeastern Region	<u>4/</u>	2,018.0	-1.4	1,607.0	-1.9	80	80			
Midwest Region	<u>4/</u>	8,140.5*	4.5*	2,435.0	-0.5	30	31			
Southwest Region		1,604.9*	7.0*	777.8	-0.5	48	52			
Far West Region		2,875.2*	2.5*	921.1	-1.6	32	33			
ALL MARKET AVERAGE OR TOTAL	<u>5/ 7/</u>	18,600.3*	2.7*	7,381.7	-1.3	40	41	16.35	14.39	---

* Because of disadvantageous pricing situations in these markets, handlers elected not to pool an estimated 200 million and 180 million pounds of milk in February 1999 and 1998, respectively, that normally would have been pooled under these orders. The total estimated amounts not pooled for this reason through the month of February are: for 1999, 490 million pounds; and for 1998, 660 million pounds. If these volumes had been pooled, the following percent changes in producer deliveries would have resulted: for February, Midwest region +2.9, Southwest region +13.9, Far West region -5.9, and all market average +1.1; Year to date, Midwest region +2.9, Southwest region +12.6, Far West region -2.2, and all market average +1.7. 1/ Names in parentheses are principal cities and pricing points of markets. 2/ Prices are for 100 pounds of milk with a butterfat content of 3.5%. 3/ Amount by which the blend price is adjusted for each .1% that the butterfat content of a producer's milk varies from 3.5%. For example, if the butterfat content of the milk that a producer delivers to a regulated handler located in Boston (New England's market) is 4.0%, then the producer's blend price would be \$17.24. (4.0 minus 3.5 equals .5; 5 times \$.139 equals \$0.695; \$16.54 plus \$0.695 equals \$17.235.) 4/ Pool data are either a summation or weighted average of the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas. The blend prices are for the Tampa Bay market. Blend prices for other markets are: Upper Florida: 1999, \$20.92 1998, \$16.79; and Southeastern Florida: 1999, \$21.11; and 1998, \$17.11. 5/ Class I receipt and utilization data for the Greater Kansas City/Eastern South Dakota area are restricted. 6/ Figures represent a combination of data for the indicated markets except for the producer blend prices which are for the first market listed. Blend prices for other markets are: Eastern South Dakota: 1999, \$13.84; 1998, \$13.95 and Western Colorado: 1999, \$18.22; 1998, \$15.00. 7/ Data for Greater Kansas City/Eastern South Dakota are excluded; some of the data during this period could not be released without revealing individual business operations. See 5/.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

CORRECTED PAGE

Dairy Market News inadvertently reprinted page 6 from report 10 in report 11. This is the page 6 as it should have been in report 11. We are sorry for any inconvenience this may have caused. The individual reports on the Internet and prices on our recorded information system for report 11 were correct

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

The market tone remains steady to weak. Prices are generally unchanged. A recent winter storm diverted some excess milk supplies to bottling and temporarily decreased NDM production. Milk is also being heavily diverted to cheese manufacturing facilities. Milk production however remains strong keeping the manufacture of NDM steady. Product is readily available for the light buyer demand. Inventories are in better balance than last week. Supplies of NDM are adequate to fully adequate. Movement on contracts and exports clears the most product. Spot trading is at a minimum. Drying schedules are moderate to heavy.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0100 - 1.0600 MOSTLY: 1.0200 - 1.0400

HIGH HEAT: 1.0400 - 1.1500 MOSTLY: 1.0600 - 1.1100

DELVD SOUTHEAST:

ALL HEATS: 1.0400 - 1.1400

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

The market tone is steady to weak with prices generally unchanged. Some contacts are opting not to sell at these prices and are holding inventories until demand increases. Others state that the market is beginning to rebound as buyers increase purchases on the basis of a market bottom. Product continues to be diverted as fluid rather than making powder. Demand is slow with minimal spot trading. Supplies are in balance with current interest. Churning activity remains heavy.

F.O.B. NORTHEAST: .7150 - .7300

DELVD SOUTHEAST: .7100 - .7750

DRY WHOLE MILK - NATIONAL

The market tone is steady with prices mostly unchanged. Product seems to clear better since the drop in milk prices. Excessive milk supplies encourage steady production. Stocks are in line with buyer's needs. Demand is seasonally slow to fair.

F.O.B. PRODUCING PLANT: 1.1500 - 1.3300

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1998 THROUGH MARCH 12, 1999

WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 84,212 MT* (185,653,773 LBS)

WHOLE MILK POWDER -- 5,003 MT* (11,029,613 LBS)

CHEESE -- 3,011 MT (6,638,051 LBS)

BUTTERFAT -- 0 MT

REALLOCATED NDM -- 26,258 MT* (57,888,386 LBS)

Allocations for the DEIP year beginning July 1, 1998, are:
Nonfat dry milk - 84,212 MT; Whole Milk Powder - 5,003 MT;
Cheese - 3,350 MT; Butterfat - 29,854 MT.

* Program allocations and reallocated volumes have been filled.

DRY WHEY - NORTHEAST AND SOUTHEAST

The market tone is steady with prices generally unchanged. Milk supplies remain plentiful encouraging good volume intakes by cheese manufacturing facilities. Whey production is steady with stocks moderate and building. Export activity continues to be the best mover of whey with domestic demand no more than fair. Some discounted product is being offered for the very limited interest. Contract commitments are easily met and spot trading is at a minimum. Cheese plants continue to run at near capacity levels inferring continued production increases in whey.

F.O.B. NORTHEAST: EXTRA GRADE .1800 - .1900

USPH GRADE A .1950 - .2100

DELVD SOUTHEAST: .2100 - .2250

ANIMAL FEED WHEY - NORTHEAST

The market tone is steady with some weakness anticipated due to market fluctuations especially in the hog industry. Prices are too few to report. Demand is slow with movement limited to regular shipments and light spot trading clearing product the best.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

The market tone is steady with prices unchanged. Production levels are steady to heavier as some plants take advantage of the growing volumes of surplus milk. Inventories are moderate and building. Some increased movement is anticipated during the upcoming holiday. Current demand remains slow to fair. CCC invites offers under EVD-1 to sell to CCC 2,864,160 pounds of evaporated milk packed in 48/12 or 24/12 oz. cans for shipment in May and June. Terms apply under Invitations 550 and 551. Offers are due March 22.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets remain steady at unchanged prices. As the first quarter of the year comes to a close, casein buyers indicate that they foresee much the same conditions for the second quarter. Sourcing countries indicate that stocks will remain fully sufficient and shipments should arrive on schedule. The overall market tone is steady with the market undertone weak and unaggressive. Buyers anticipate that prices should remain steady if not slightly lower into mid year.

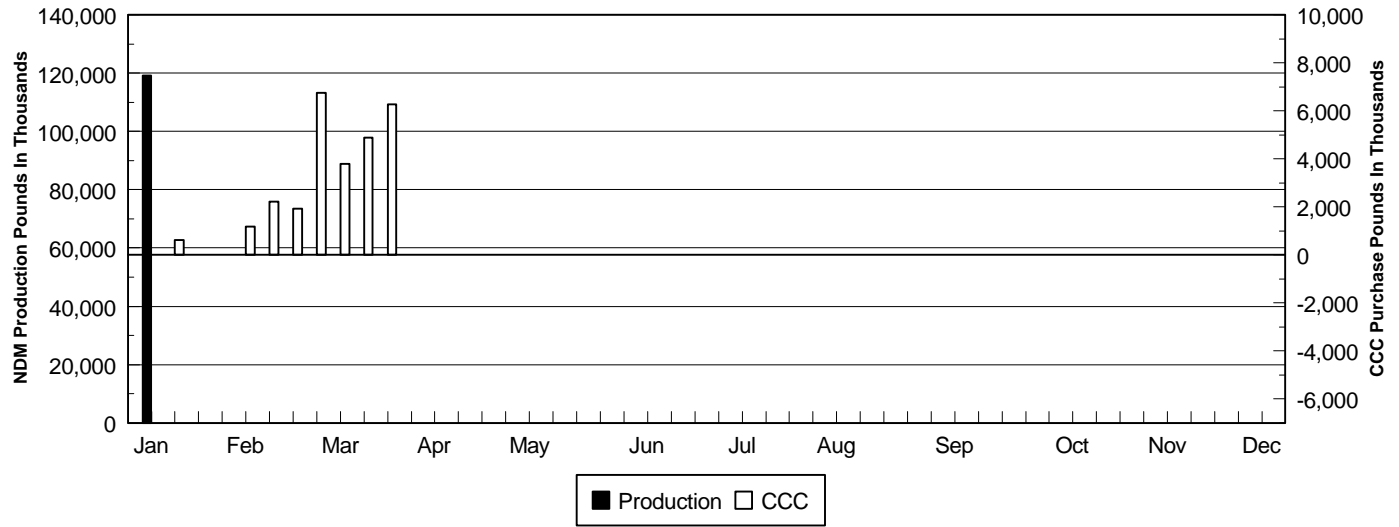
SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.9000 - 2.0500

ACID: 1.9000 - 2.0000

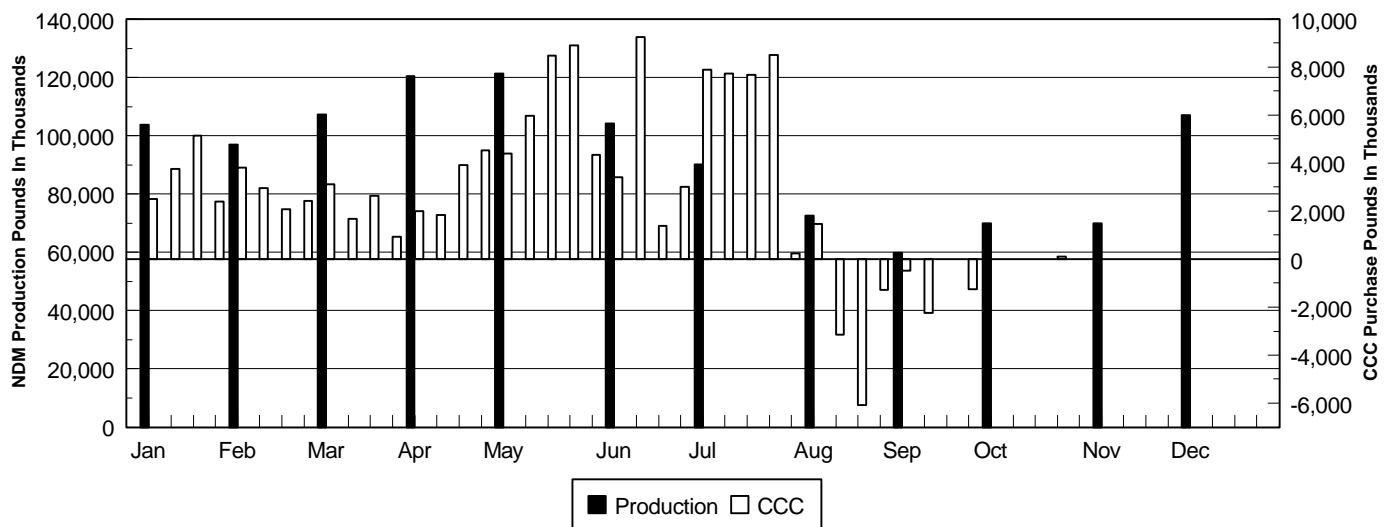
Nonfat Dry Milk Production vs. NDM CCC Purchases

1999 YTD



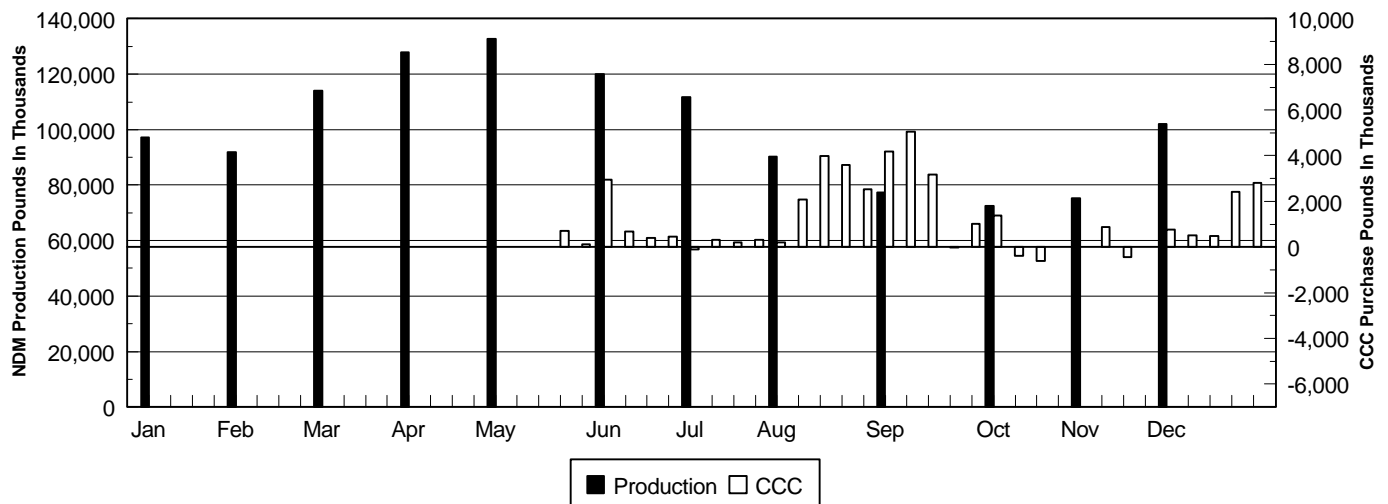
Nonfat Dry Milk Production vs. NDM CCC Purchases

1998



Nonfat Dry Milk Production vs. NDM CCC Purchases

1997



CCC PURCHASES OF DAIRY PRODUCTS

	:	FOR THE WEEK OF MARCH 22 - 26, 1999				:	CUMULATIVE TOTALS		:	UNCOMMITTED INVENTORIES				
	:	TOTAL	:	CONTRACT	:	ADJUSTED	:	SINCE	:	SAME PERIOD	:	PERIOD ENDING	:	SAME PERIOD
	:	PURCHASES	:	ADJUSTMENTS	:	PURCHASES	:	10/01/98	:	LAST YEAR	:	03/19/99	:	LAST YEAR
BUTTER	:		:		:		:		:		:		:	
Bulk	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
Packaged	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
TOTAL	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
CHEESE	:		:		:		:		:		:		:	
Block	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
Barrel	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
Process	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
TOTAL	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
NONFAT DRY MILK	:		:		:		:		:		:		:	
Nonfortified	:	3,510,149	:	853,019	:	2,657,130	:	30,338,556	:	41,398,035	:	-0-	:	-0-
Fortified	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-	:	-0-
TOTAL	:	3,510,149	:	853,019	:	2,657,130	:	30,338,556	:	41,398,035	:	-0-	:	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	<u>BASIS</u>	<u>SOLIDS</u>		<u>BASIS</u>	<u>SOLIDS</u>
WEEK OF MARCH 22 - 26, 1999 =	0.6	30.9	COMPARABLE WEEK IN 1998 =	0.2	10.9
CUMULATIVE SINCE OCTOBER 1, 1998 =	6.7	353.1	CUMULATIVE SAME PERIOD LAST YEAR =	9.1	481.9
CUMULATIVE JANUARY 1 - MARCH 26, 1999 =	6.7	351.9	COMPARABLE CALENDAR YEAR 1998 =	7.4	390.5

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98
MIDWEST	-0-	-0-	-0-	-0-	-0-	2,221,551	0.0	5.4
WEST	-0-	-0-	-0-	-0-	30,338,556	39,066,309	100.0	94.4
EAST	-0-	-0-	-0-	-0-	-0-	110,175	0.0	0.2
TOTAL	-0-	-0-	-0-	-0-	30,338,556	41,398,035	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 03/06/99 & Comparable Week 1998 1/ 2/

1999-2000											2000-2001											2001-2002											2002-2003											2003-2004											2004-2005											2005-2006											2006-2007											2007-2008											2008-2009											2009-2010											2010-2011											2011-2012											2012-2013											2013-2014											2014-2015											2015-2016											2016-2017											2017-2018											2018-2019											2019-2020											2020-2021											2021-2022											2022-2023											2023-2024											2024-2025											2025-2026											2026-2027											2027-2028											2028-2029											2029-2030											2030-2031											2031-2032											2032-2033											2033-2034											2034-2035											2035-2036											2036-2037											2037-2038											2038-2039											2039-2040											2040-2041											2041-2042											2042-2043											2043-2044											2044-2045											2045-2046											2046-2047											2047-2048											2048-2049											2049-2050											2050-2051											2051-2052											2052-2053											2053-2054											2054-2055											2055-2056											2056-2057											2057-2058											2058-2059											2059-2060											2060-2061											2061-2062											2062-2063											2063-2064											2064-2065											2065-2066											2066-2067											2067-2068											2068-2069											2069-2070											2070-2071											2071-2072											2072-2073											2073-2074											2074-2075											2075-2076											2076-2077											2077-2078											2078-2079											2079-2080											2080-2081											2081-2082											2082-2083											2083-2084											2084-2085											2085-2086											2086-2087											2087-2088											2088-2089											2089-2090											2090-2091											2091-2092											2092-2093											2093-2094											2094-2095											2095-2096											2096-2097											2097-2098											2098-2099											2099-2100											2100-2101											2101-2102											2102-2103											2103-2104											2104-2105											2105-2106											2106-2107											2107-2108											2108-2109											2109-2110											2110-2111											2111-2112											2112-2113											2113-2114											2114-2115											2115-2116											2116-2117											2117-2118											2118-2119											2119-2120											2120-2121											2121-2122											2122-2123											2123-2124											2124-2125											2125-2126											2126-2127											2127-2128											2128-2129											2129-2130											2130-2131											2131-2132											2132-2133											2133-2134											2134-2135											2135-2136											2136-2137											2137-2138											2138-2139											2139-2140											2140-2141											2141-2142											2142-2143											2143-2144											2144-2145											2145-2146											2146-2147											2147-2148											2148-2149											2149-2150											2150-2151											2151-2152											2152-2153											2153-2154											2154-2155											2155-2156											2156-2157											2157-2158											2158-2159											2159-2160											2160-2161											2161-2162											2162-2163											2163-2164											2164-2165											2165-2166											2166-2167											2167-2168											2168-2169											2169-2170											2170-2171											2171-2172											2172-2173											2173-2174											2174-2175											2175-2176											2176-2177											2177-2178											2178-2179											2179-2180											2180-2181											2181-2182											2182-2183											2183-2184											2184-2185											2185-2186											2186-2187											2187-2188											2188-2189											2189-2190											2190-2191											2191-2192											2192-2193											2193-2194											2194-2195											2195-2196											2196-2197											2197-2198											2198-2199											2199-2200											2200-2201											2201-2202											2202-2203											2203-2204											2204-2205											2205-2206											2206-2207											2207-2208											2208-2209											2209-2210											2210-2211											2211-2212											2212-2213											2213-2214										
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1999-Dairy cows	HD	(000)	: 0.2	0.8	5.6	6.1	18.9	2.3	2.7	0.7	10.2	3.6	51.2	471.5	47.7	42.4																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
1998-Dairy cows	HD	(000)	: 0.3	1.6	6.6	5.2	18.3	3.8	3.0	1.4	11.4	3.3	54.9	583.2	50.6	49.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
1999-All cows	HD	(000)	: 0.2	1.0	7.8	15.9	27.0	14.6	17.9	4.1	11.5	7.4	107.4	1,111.6																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
1998-All cows	HD	(000)	: 0.3	1.7	9.0	15.3	26.7	14.4	15.8	6.2	12.7	6.6	108.5	1,191.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

CCC MARKET PRICE PURCHASES 3/26

	MAY DELIVERY		JUNE DELIVERY	
<u>PROCESS</u>	<u>POUNDS</u>		<u>POUNDS</u>	
2# PROCESS LOAF	752,400	\$1.5644-1.6054	--	
5# PROCESS LOAF	39,600	\$1.3995	--	
PROCESS SLICED	633,600	\$1.3900-1.4493	--	
<u>MOZZARELLA</u>				
LMPS	483,840	\$1.2850	1,088,640	\$1.2850
<u>CHEDDAR</u>				
BARRELS	280,000	\$1.3300	--	

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/98 = 44,620,591

THIS COMPARES TO 43,811,645 DURING THE COMPARABLE PERIOD LAST YEAR.

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

[illegible]